

**BOARD OF INVESTMENT TRUSTEES  
MONTGOMERY COUNTY EMPLOYEE RETIREMENT PLANS**

**MINUTES – OPEN SESSION**

November 19, 2010

101 Monroe Street, 15<sup>th</sup> floor  
Rockville, Maryland

**Board Members Present:**

Kelda Simpson  
Gino Renne  
Steve Farber  
Walt Bader  
Meg Menke  
Jeff Buddle  
Jeff Sharpe  
Lodge Gillespie  
Joe Beach  
Jennifer Barrett  
Joe Adler  
George Willie

**Staff:**

Linda Herman  
Marc Esen  
Brad Stelzer  
Stuart Potter  
Patrick O'Brien

**Others Present:**

Mark Brubaker, Wilshire Associates  
Mike Dudkowski, Wilshire Associates  
Brad Atkins, Franklin Park  
Narayan Chowdhury, Franklin Park  
Neil Mowery, Franklin Park  
Amy Moskowitz, Counsel to the Board

***CALL TO ORDER***

Ms. Simpson called the open session of the Board to order at 8:35 a.m.

***DETERMINATION OF MEETING***

The Board unanimously approved a motion to move into closed session at 8:35 a.m. for the purpose of discussing the investment of public funds, pursuant to Maryland Code, State Government Article, 10-508(a)(5).

Ms. Simpson called the open session of the Board to order at 10:50 a.m.

**Approval of the Minutes:** Mr. Farber moved and Mr. Adler seconded, and the Board unanimously approved the minutes of the September 24, 2010 meeting.

**Board's 2010 Annual Report:** The Board discussed the information contained in the report and the method of distribution to participants. Mr. Sharpe moved and Mr. Farber seconded, and the Board unanimously approved the following resolution:

**1011-03      *Resolved, That the Board approves the issuance of the 2010 Annual Report.***

**ERS – Rebalancing Policy:** Mr. Potter reviewed the objectives of the Board's Rebalancing Policy and discussed his research and analysis on various rebalancing approaches used by other pension plans. He recommended the Board consider adding sub-asset class bands of 3% around the target allocation, except for smaller allocations for which the recommended band would be 1.5%. Other recommended changes to the policy included increasing the asset class bands to 5%, changing the rebalancing destination to the midpoint of the range, and using the most over/underweight managers relative to their target allocation as the source of funds. The Board discussed the impact of the recommended changes and administrative procedures, and requested a change to the amendments proposed to clarify the Executive Director's authority to utilize passive vehicles when necessary to acquire the desired market exposure. Mr. Buddle moved and Mr. Farber seconded, and the Board unanimously approved the following resolution:

**1011-04      *Resolved, That the Board approves the revisions to the Rebalancing Policy, as amended.***

**ERS – Annual Brokerage Review:** Mr. Esen noted the annual brokerage review for the public equity managers was completed with no recommendation for changes.

**Legislative Update:** Ms. Moskowitz discussed recent regulations issued by the Department of Labor related to disclosures of certain investment information, including fees and expenses, to participants in defined contribution plans. Staff is currently working with both recordkeepers, Fidelity and ING, to ensure that participants have access to required information. Ms. Moskowitz also discussed new legislation allowing governments to offer Roth accounts within 457 plans. The Board noted the importance of offering this benefit to participants and requested that Staff work with the County's Office of Human Resources to determine if the County's 457 Plan could be amended to include a Roth provision.

The Board requested that Staff try to re-schedule the retreat for the March or May Board meetings and to review the costs of conducting the retreat at other locations.

There being no further business of the Board, the open meeting session was adjourned at 11:45 p.m.

Respectfully submitted,

---

Joseph Adler, Secretary